

Message Text

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ACTION AGR-08

INFO OCT-01 NEA-10 ISO-00 EB-07 STR-04 CIAE-00 INR-07
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FM AMEMBASSY NEW DELHI
TO SECSTATE WASHDC 0384

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FOLG RECD AS ACTION DATED DEC 30 1976 RPTD FOR YOUR INFO.

QUOTE.

LIMITED OFFICIAL USE BOMBAY 3302

E.O. 11652 N/A
TAGS: EAGR, ETRD, IN
SUBJ: COFFEE PRICES

REF: NEW DELHI 18177 AND 18178

1. COFFEE INFORMATION BELOW FOLLOWS SAME ORDER OF QUESTIONS
REQUIRED IN NEW DELHI 18178. FOR BACKGROUND INFORMATION AND
COMPARISON WITH INDIAN COFFEE SITUATION IN EARLY CY 1976 REFER
TO BOMBAY 422 REPEATED TO SECSTATE AS NEW DELHI 2667.

2. CURRENT RETAIL PRICES OF ROASTED COFFEE BEANS OR GROUND COFFEE
IN BOMBAY RANGE FROM 82 TO 112 CENTS PER POUND, DEPENDING ON
QUALITY, WITH PLANTATION A AVERAGING AROUND 102 CENTS PER POUND
(CONVERTED AT RATE OF 8.9 RUPEES TO ONE U.S. DOLLAR). IN
SOUTHERN REGIONS OF INDIA RETAIL PRICES ARE SOMEWHAT LOWER
DEPENDING ON STATE SALES TAX AND TRANSPORTATION CHARGES DETAILED
IN NEXT PARAGRAPH.

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3. OVERALL AVERAGE PRICES PAID BY AUTHORIZED ROASTERS OR
PROCESSORS FOR INTERNAL SALES IN EARLY NOVEMBER 1976 IN
THREE POOL AUCTIONS HELD SIMULTANEOUSLY AT BANGALORE,
COIMBATORE AND VIJAYAWADA IN RUPEES PER 50 KG. BAG, INCLUSIVE
OF CENTRAL EXCISE DUTY BUT EXCLUSIVE OF SALES TAX, WERE
518.25 FOR PLANTATION A, 503.75 FOR ARABICA CHERRY AB AND
503.00 FOR ROBUSTA CHERRY AB; WHICH IN TERMS OF CENTS PER

POUND EQUALS TO 52.8 CENTS, 51.3 CENTS AND 51.3 CENTS RESPECTIVELY. IN ADDITION TO ABOVE PRICES, BUYERS IN BOMBAY HAVE TO PAY 10 PERCENT SALES TAX IN KARNATAKA PLUS 6 PERCENT SALES TAX IN MAHARASHTRA AND DELIVERY/HANDLING CHARGE OF APPROXIMATELY 5 PERCENT BRINGING THEIR COST PRICE FOR GREEN COFFEE TO BETWEEN 62.1 TO 63.9 CENTS PER POUND. COFFEE SOLD IN AUCTION SALES FOR COMESTIC CONSUMPTION IS ABOUT ONE-THIRD OF COFFEE PRICES DESTINED FOR EXPORT.

4. COFFEE PRICES IN EXPORT AUCTIONS IN BANGLAORE DURING NOVEMBER 1976 TO AUTHORIZED EXPORTERS AVERAGED, IN RUPEES PER 50 KG. BAG EXCLUSIVE OF ALL TAXES AND DUTIES, 1,381 FOR ARABICA CHERRY AB, AND 1,337 FOR ROBUSTA CHERRY AB, WHICH IN TERMS OF CENTS PER POUND WERE 141 AND 136 RESPECTIVELY. THERE WERE NO SALES OF PLANTATION A IN NOVEMBER DUE TO APPARENT UNAVAILABILITY. IN ADDITION TO ABOVE PRICES EXPORTERS HAVE TO PAY KARNATAKA SALES TAX OF 10 PERCENT, CESS OF 10 RUPEES PER QUINTAL AND EXPORT DUTY OF 1,300 RUPEES PER QUINTAL IN ADDITION TO HANDLING AND TRANSPORT COSTS TO PORT. WITH ALL ABOVE CHARGES ARABICA CHERRY AB F.O.B. MANGALORE WOULD BE AROUND 229 CENTS PER ONE POUND WITH SLIGHT VARIATIONS FOR OTHER QUALITIES.

5. SCHEDULE OF RATES FOR PAYMENT TO COFFEE GROWERS FOR THE 1976-77 SEASON IS EXPECTED TO BE ANNOUNCED EARLY IN 1977. FOR 1975-76 SCHEDULE OF RATES AND METHODS OF PAYMENT REFER TO BOMBAY 422.

6. THERE ARE NO NEW GOVERNMENT PROGRAMS FROM THOSE REPORTED LIMITED OFFICIAL USE

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EARLIER. GOI CONTINUES VIGOROUSLY TO PROMOTE EXPORTS IN ORDER TO ESTABLISH HIGH QUOTA UNDER INTERNATIONAL COFFEE AGREEMENT. AT SAME TIME IT APPEARS TO BE APPROACHING CAUTIOUSLY RPAID EXPANSION IN DOMESTIC COFFEE PRODUCTION, PERHAPS WITH IDEA THAT CURRENT EXPORT COFFEE BOOM MAY ONLY BE SHORT LIVED. COURTNEY UNQUOTE. SCHNEIDER

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Message Attributes

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